

1935

**INVESTIGATION OF NAZI PROPAGANDA
ACTIVITIES AND INVESTIGATION OF CER-
TAIN OTHER PROPAGANDA ACTIVITIES**

**PUBLIC STATEMENT
OF
SPECIAL COMMITTEE ON UN-AMERICAN
ACTIVITIES**

HOUSE OF REPRESENTATIVES

SEVENTY-THIRD CONGRESS

SECOND SESSION

**RELEASED TO THE PRESS REPRESENTATIVES BY
HON. JOHN W. MCCORMACK AND HON. SAMUEL DICKSTEIN
WHO WERE SITTING AS A SUBCOMMITTEE**

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CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
SPECIAL COMMITTEE ON UN-AMERICAN ACTIVITIES

SEVENTY-THIRD CONGRESS

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SUBCOMMITTEE FOR THIS HEARING

JOHN W. MCCORMACK, Massachusetts, *Chairman*
SAMUEL DICKSTEIN, New York

INVESTIGATION OF UN-AMERICAN ACTIVITIES

(For release for inserting papers, Nov. 26, 1934)

STATEMENT OF CONGRESSIONAL COMMITTEE ON UN-AMERICAN ACTIVITIES, MADE BY JOHN W. McCORMACK (MASSACHUSETTS), CHAIRMAN, AND SAMUEL DICKSTEIN (NEW YORK), VICE CHAIRMAN, SITTING AS A SUBCOMMITTEE

NEW YORK, Saturday, November 24, 1934.

This committee has had no evidence before it that would in the slightest degree warrant calling before it such men as John W. Davis, Gen. Hugh Johnson, General Harbord, Thomas W. Lamont, Admiral Sims, or Hanford MacNider.

The committee will not take cognizance of names brought into the testimony which constitute mere hearsay.

This committee is not concerned with premature newspaper accounts, especially when given and published prior to the taking of the testimony.

As the result of information which has been in possession of this committee for some time, it was decided to hear the story of Maj. Gen. Smedley D. Butler and such others as might have knowledge germane to the issue.

In the course of his sworn testimony, General Butler testified that about July 1, 1933, a telephone call from Washington to his home in Newton Square, Pa., near Philadelphia, asked for an interview with two unnamed Legionnaires.

Later that same day he was visited by one Gerald C. MacGuire, of New York, and William Doyle, of Boston, Mass., and as Butler testified, the latter prominent in Legion affairs of that State.

According to Butler's testimony, MacGuire and Doyle suggested to him that he become a candidate for national commander of the American Legion at its convention at Chicago to be held in October 1933 and further stated that he told him that he was not interested and realized that he could not be elected commander.

According to his further testimony, they discussed ways and means of his becoming a delegate, even suggesting that he might be named from Hawaii. This is the only conference Doyle attended.

Butler further testified that MacGuire returned on several other occasions and suggested to him that he go to the Legion convention at Chicago and make a speech urging a resolution, the import being that the United States return to the gold standard.

Butler testified that he told him that "I don't know a damn thing about gold."

Butler further testified that on this occasion MacGuire showed him a bank book, the pages of which were flipped, indicating deposits of approximately \$42,000.

He then testified that MacGuire suggested that he gather 200 or 300 men and pay their expenses to the Chicago convention, the purpose being at the proper moment to have these men recognize Butler and demand that he make a speech and that then Butler was to make the speech on behalf of the gold standard, which he says had been handed to him.

When Butler asked MacGuire, according to the testimony, where the money was coming from, Butler testified that MacGuire told him "that we have plenty of money and have had some good-sized contributions."

Butler then testified that he saw MacGuire again and that MacGuire appeared in his hotel room in Newark during the reunion of the Twenty-ninth Division in September 1933 and while in Butler's room took a wallet from his pocket, threw a bunch of \$1,000 bills on the bed and that when Butler asked him "How much money have you got there", MacGuire is alleged to have replied "\$18,000", and on further questioning is alleged to have told Butler that he got the money from contributions the night before and has not had an opportunity to deposit them and wanted to give them to Butler for his help.

Butler further testified that he told MacGuire, "Don't you try to give me any thousand-dollar bill. Remember, I was a cop once. Every one of the numbers on these bills has been taken. I know you people and what you are trying to do. You are just trying to get me by the neck. If I try to cash one of those thousand-dollar bills, you would have me by the neck." To which MacGuire is alleged to have replied, "We can change them into smaller denominations."

The committee has learned that the reunion of the Twenty-ninth Division took place at Newark Saturday, September 16, and Sunday, September 17, 1933, and mentions these dates at this point because they are important.

According to Butler's testimony, he then urged MacGuire to send one of the principals to him (Butler), as he realized that MacGuire was only an agent, and that MacGuire agreed to send Robert Sterling Clark and explained to Butler that Clark had been in the Army and had known Butler in China and that Clark had inherited millions.

Before MacGuire left Newark, according to Butler, he told the general that they were anxious "to see the soldiers' bonus paid in gold. We don't want the soldier to have rubber money."

Butler testified that during that week he had a telephone call from Clark and that he and his wife met Clark at the railroad station in Philadelphia the following Sunday. That he carried a bag, evidently prepared for traveling, and that they took him to their home at Newtown Square, where they chatted informally, had luncheon, and that then Butler and Clark had a conversation.

Butler testified that the question of the speech which MacGuire had left with him came up, and that Clark urged him to make it, and among other things, said, "You understand just how we are fixed. I have got 30 million dollars and I don't want to lose it. I am willing to spend half of the 30 million to save the other half. If you go out and make this speech in Chicago, I am certain that they will adopt the resolution and that will be one step toward the return to gold,

to have soldiers stand up for it. We can get the soldiers to go out in great bodies to stand up for it."

Testimony then shows that Butler claims he told Clark that he would not go to Chicago, although Clark offered the use of a private car; that he would not be mixed up in it; that he took an oath to sustain the democracy and that he would do that and nothing else and that he did not propose to get soldiers marching around and stirred up about the gold standard.

Butler claims that Clark then made some overtures regarding the mortgage on his home, but that after showing Clark the flags, banners, tokens of esteem, and medals of honor that he had received, that he felt confident that Clark would not discuss the subject further.

Butler states that Clark hesitated a few minutes and used the Butler telephone to call MacGuire at the Palmer House stating: "General Butler is not coming to the convention. He has given me his reasons and they are excellent ones and I apologize to him for my connection with it. I am not coming either. You can put this thing across. You have got \$45,000. You can send those telegrams. You will have to do it that way. The general is not coming and I can see why. I am going to Canada to rest. If you need me, you know where you can find me. You have got enough money to go through with it."

Later the Butlers took Mr. Clark to the train and Butler stated that the bill for the telephone call was paid by himself.

The American Legion convention in Chicago passed the resolution endorsing the gold standard; and according to Butler, after the convention MacGuire stopped by to see him and suggested that Butler go to Boston to attend a veterans' dinner again for the purpose of advocating the gold standard, which the general says he refused to do.

According to the Butler testimony, he then did not hear from MacGuire until he received postal cards from Italy, Germany, Spain, and Paris and was amazed in August 1934 to get a call from MacGuire saying that he was coming out to Philadelphia and would Butler meet him there.

Butler stated that he did meet MacGuire at the Bellevue-Stratford Hotel and had a very long talk with him while seated in an unused dining room.

In the course of this conversation, Butler stated that MacGuire told him that he went abroad to study the part that the veterans play in the various governments over there. That he had gone to Italy and discovered that the veterans are the background of Mussolini, but that that set-up would not do in the United States.

MacGuire, according to Butler, continued that he had gone to Germany to see what Hitler was doing, and found that that situation would not do in the United States either, and that he had been in France, where he found just exactly the organization that we ought to have in this country and called it an organization of "super-soldiers", but that Butler did not remember the French name for that organization.

Butler further testified that MacGuire at that time told him that this French super organization was composed of about 500,000 men,

and that each one of them was the leader of 10 others, and that that was the kind of an organization that we should have in the United States.

Butler then claims that when he asked MacGuire what he wanted to do with such a set-up, MacGuire stated, "We want to support the President", to which Butler claims he replied, "The President doesn't need the support of that kind of an organization; and, besides, since when did you become a supporter of Roosevelt; the last time you were here you were against him!"

MacGuire then, according to Butler's testimony, stated, "Don't you understand, the set-up has got to be changed a bit. We have the President with us now. He has got to have more money. There is no more money to give him. Eighty percent of the money now is in Government bonds and he cannot keep this racket up much longer. He has got to do something about it. He has either got to get more money out of us or he has got to change the method of financing the Government, and we are going to see to it that he isn't going to change that method. He will not change it. He is with us now", to which Butler stated he replied: "The idea of this great group of soldiers then is to frighten him, is it?" and MacGuire, according to Butler's testimony, said, "No, no, no; not to frighten him. This is to sustain him when others assault him."

Butler claims that MacGuire then told him that the President was overworked, that he needed an assistant to take over the many heavy duties, and that such a position would be created and would probably be called "a secretary of general affairs", and that when all that was accomplished the President of the United States would be like the President of France.

Butler's testimony continued by quoting MacGuire as having said: "I have been traveling around, looking around. Now, about this superorganization, would you be interested in heading it?" To which Butler states he replied: "I am interested in it, but I don't know about heading it. I am greatly interested in it, because you know, Jerry, my interest, my one hobby, is maintaining a democracy. If you get these 500,000 soldiers advocating anything smelling of Fascism, I am going to get 500,000 more and lick the hell out of you, and we will have a real war right at home."

According to the testimony, the conversation continued in that vein, and then Butler quoted MacGuire as having said: "We have 2 million to start with on the line and can get 300 million if we need it", and Butler claims he said: "Who is going to put all this money up", to which MacGuire is alleged to have replied: "You heard Clark tell you he was willing to put up 15 million to save the other 15 million."

Butler testified that in the conversation MacGuire suggested that if necessary the Vice President and Secretary of State would resign and that this secretary of general affairs would become the Secretary of State and follow through to the Presidential succession.

Butler further stated that he discussed this entire matter with his confident, Paul French, and that it was agreed between them that French should see MacGuire in New York.

Paul Conley French, a reporter for the Philadelphia Record and the New York Evening Post, followed the general on the witness stand, testified that General Butler had spoken to him about this matter, and that they agreed that French should go to New York to get the story.

French testified that he came to New York, September 13, 1934, and went to the offices of Grayson M.-P. Murphy & Co. on the twelfth floor of 32 Broadway and that MacGuire received him shortly after 1 o'clock in the afternoon and that they conducted their entire conversation in a small private office.

French testified under oath, that as soon as he left MacGuire's office, he made a careful memorandum of everything that MacGuire had told him.

French testified that MacGuire stated, "We need a fascist government in this country to save the Nation from the Communists who want to tear it down and wreck all that we have built in America. The only men who have patriotism to do it are the soldiers and Smedley Butler is the ideal leader. He could organize one million men over night."

Continuing, French stated that during the conversation MacGuire told him about his trip to Europe and of the studies that he had made of the Fascist, Nazi, and French movements and the parts that the veterans had played in them.

French further testified that MacGuire considered the movement entirely and tremendously patriotic and that any number of people with big names would be willing to help finance it.

French stated that during the course of the conversation, MacGuire continually discussed "the need of a man on a white horse" and quoted MacGuire as having said "We might go along with Roosevelt and then do with him what Mussolini did with the King of Italy."

MacGuire, according to French, expressed the belief that half of the American Legion and the Veterans of Foreign Wars would follow General Butler if he were to announce the plan that MacGuire had in mind.

Toward the close of the conversation, French says that MacGuire told him that he was going to Miami for the American Legion convention and that he would try to see Butler before he left, but that Butler's being out of town prevented a meeting and that, so far as he knew, they had not seen each other since.

Gerald C. MacGuire was called to the stand late in the afternoon of Tuesday, November 20 and after being identified as a bond salesman with Grayson M.-P. Murphy & Co., stated that he was a member of the distinguished-guest committee of the Legion Convention in 1933, and later testified he was alternate delegate to the Portland convention in 1932 and delegate to Miami in 1934.

He stated that he had seen General Butler on various and sundry occasions, admitting that the first time he went there was in the company of William Doyle, of Massachusetts. He denies that an

appointment had been arranged from Washington, but in his testimony on a subsequent day, admitted that this was the case.

MacGuire in brief, claimed that the object of his visit was to induce Butler to run for commander of the American Legion and that he had also talked to General Butler about forming a committee for a sound dollar, and a sound currency.

MacGuire denied that he had in any way thought of unseating "the royal family of the American Legion", but that he felt that if Butler could become a delegate at the Chicago convention, he might become commander.

MacGuire admitted that they did discuss the possibility of Butler becoming a delegate from Hawaii.

MacGuire claimed that he wanted to interest Butler in this Committee for a Sound Dollar, because, being a public man, he could go out and speak for the movement and that they wanted him to have an opportunity to make a little money.

MacGuire denied that he had at any time ever given Butler a prepared speech and claimed that he, MacGuire, was always for President Roosevelt.

At this point, MacGuire stated that he had met Butler on eight or nine different occasions, but that he had never talked to the general about taking 200 or 300 men to the Legion convention in Chicago, nor that he had ever shown Butler a bank book or that he had ever told Butler that he had large sums of money at his command.

MacGuire testified that he had been in Newark on the occasion of the reunion of the Twenty-ninth Division. That it was a Sunday and that all he had done was to hear Butler's speech and that he, MacGuire, then left.

To a question by chairman of the committee, MacGuire answered "I never had any money and he (Butler) never asked me if I had any."

MacGuire acknowledged that he had mentioned the name of Robert Sterling Clark to Butler in connection with the Committee for a Sound Dollar and that he had told Butler that Clark would back up such a committee with money.

At that point MacGuire testified that he had received \$30,000 from Robert Sterling Clark and that the money was placed in the Central Hanover Bank & Trust Co. to the credit of "The Committee for a Sound Dollar and Sound Currency, Inc."

He further testified that this money was given him by Mr. Clark long after the Chicago convention of the Legion, and that he had also received from Walter E. Frew, of the Corn Exchange Bank & Trust Co., the sum of \$1,000, which was also placed to the credit of the Sound Money Committee.

MacGuire then testified that he had received from Robert Sterling Clark approximately \$7,200 for his traveling expenses to, in, and from Europe, to which had been added the sum of \$2,500 on another occasion and \$1,000 at another time, and he stated under oath that he had not received anything from anybody else and further testified that he had deposited it in his personal account at the Manufacturers Trust Co., 55 Broad Street.

MacGuire further testified that he had a drawing account of \$432 a month right now, to which were added some commissions.

Later MacGuire testified that the \$2,500 and the \$1,000 were in connection with the organization of the Committee for a Sound Dollar.

MacGuire had a hazy recollection that Clark had talked to Butler, but denied emphatically that Clark had called him up while MacGuire was at the convention in Chicago, and that he did not make arrangements for Clark to meet Butler and did not know how the meeting was brought about.

MacGuire stated when questioned regarding the sponsorship of the gold standard resolution at Chicago "I think I had as much to do with proposing it as anyone."

Chairman McCormack then directed the following question: "Did Mr. Clark contribute any money in any other way, besides the \$30,000 and the other sums that you have enumerated he gave to you personally?" to which MacGuire replied, "No, sir; he has been asked several times to contribute to different funds, but he has refused."

Then MacGuire admitted that he had sent Butler post cards from various points in Europe and that he did have a conversation with the general at the Bellevue-Stratford, but that he was only with him for about 20 minutes.

MacGuire testified that he told Butler that he was going to the convention in Miami and, when asked whether he had told Butler that he had studied the part that the veterans played in the European governments, replied that he had not.

MacGuire denied telling Butler anything about any governmental set-ups in Europe, although he stated that he had told Butler that in his opinion "Hitler would not last another year in Germany and that Mussolini was on the skids".

MacGuire again emphatically denied that he had said anything about the European veterans.

Then MacGuire stated that Paul French had come to him and outlined a lot of things that Butler was trying to do with different veteran outfits in the country, and that he told French that Butler should not be mixed up with that kind of stuff.

Under further questioning MacGuire admitted that he had called up Butler and asked him whether he knew Paul French and that when he was assured that Butler did know him, he agreed to see him.

He stated that there was no particular significance in his calling Butler to find out whether French was all right or not, and that they discussed minor matters and that French's purpose in his visit was merely to know him.

While being questioned by both Congressman McCormack and Dickstein, MacGuire suddenly remembered that Clark had given him some money in connection with some bond transactions and fixed the sum at \$25,000, which he stated he placed on deposit with the Manufacturers Trust Co., in a "special account", and further stated that Clark had paid his expenses in going around the country looking over various municipalities in connection with the purchase of their bonds.

MacGuire testified that this \$25,000 was to go back to Mr. Clark, and that he had repaid \$20,000 of it to Mr. Albert G. Christman

and that Christmas again gave him another check for \$20,000 which he redeposited in the Manufacturers Trust Co. in the special account.

It should be noted here that Albert G. Christmas, attorney, 160 Broadway, represents Mr. Clark.

MacGuire swore that this money was for the purpose of buying securities and that he had used the money to purchase letters of credit for that purpose.

Then the questioning switched to MacGuire's stay at the Palmer House in Chicago, and the witness admitted that he had 4 rooms there for his personal use, 2 on one floor and 2 on another, and that some of his friends shared the rooms with him, splitting the expense.

At this point the ledger statement from the Manufacturers Trust Co., showing the account of G. C. MacGuire special, was introduced and it showed deposits on September 11, 1933, \$15,000; September 13, \$10,000; September 16, \$2,500; September 18, \$20,000.

The account showed withdrawals on September 15 of \$1,125; September 16, \$6,000; September 19, \$20,000; September 23, \$3,500; and September 25, \$10,700.

There were a few minor withdrawals later.

Reiterating that he was there for the purpose of buying bonds with this \$25,000 he admitted that he did not talk to anyone, nor that he bought any, nor that he had any record of having received quotations, nor that he had asked any individual or firm whether they had any for sale.

Continuing under oath MacGuire said that the \$1,125 was drawn for expenses and that the \$6,000 was tied up with other amounts, but that the cash was paid back to Christmas.

However, MacGuire testified he had no receipt from Christmas or anything else to show it.

MacGuire admitted that he had bought and sold bonds to the value of approximately 9 million dollars for Clark, through the Murphy firm, but that this was the only time he had ever been handed any cash personally with which to buy them.

Hotel bills from the Palmer House showed MacGuire registered there continuously from September 21 to October 8.

The witness then introduced statement of Central Hanover Bank showing that he had purchased letters of credit amounting to \$30,300 between September 19 and September 27, 1933. He further claimed that he converted all of these letters of credit into cash at the First National Bank of Chicago and that he put the money into a safe deposit box in Chicago and that after the convention was over, he brought all of the cash back to Mr. Christmas, less expenses, because he had not purchased any bonds.

MacGuire could not explain why he had paid a premium of one-half of 1 percent, amounting to \$150, on \$30,300 worth of letters of credit only to cash them without having any purchases in mind and then bringing the currency back to New York.

Later in the questioning MacGuire admitted that he received \$10,000 in currency from Christmas, while MacGuire, Christmas, and Clark were having luncheon at the Bankers Club, which had nothing whatever to do with these other funds.

MacGuire stated under oath, that he took this \$10,000 and placed it in his safety deposit box at the Seaman's Savings Bank; that it

is no longer there; that he does not know when he took it out, nor does he remember what he did with it.

Again under questioning, MacGuire did not have any receipts for any of the sums of cash which he claims he repaid to Christmas as agent for Clark, in one case a sum of about \$30,000.

Note from the committee. Deposits in the Manufacturers Trust Co. special account which totalled \$26,000 and the \$10,000 which he admits he received in cash at the Bankers Club, are no part of the \$31,000 which was used by the committee on sound money.

Shortly before MacGuire left the stand on his second day of questioning he again reiterated that he had been at the convention in Chicago continuously from about September 21 to October 8, while the actual convention was in session only on October 3, 4, and 5, and further stated that he had continuously been on the pay roll of G. M. P. Murphy & Co., regardless as to whether he was making tours of inspection at the expense of Clark or whatever he was doing.

Before MacGuire's testimony was resumed on Friday the 23d, the committee heard Claude M. Adamson, connected with the Central Hanover Bank in its letter of credit department.

Adamson testified and produced bank records showing that MacGuire had purchased with cash on September 19, 1933, a letter of credit in the sum of \$2,300, and that he cashed \$300 of it in New York immediately, that he cashed \$1,100 of it at the First National Bank of Chicago on September 22, and cashed the remaining \$900 at the First National Bank of Chicago on September 29.

Then Adamson testified that on September 23 (MacGuire was supposed to be in Chicago then), MacGuire again came into the bank and bought two letters of credit, one in the sum of \$4,000 and the other in the sum of \$9,000, for which he presented in payment 13 one thousand dollar bills.

Adamson stated that the money was handed to him at the desk of J. K. Olyphant, a vice president of the bank, and that the letters of credit were issued.

Adamson testified that both of these letters of credit totaling \$13,000 were cashed on September 20.

Then Adamson testified that MacGuire came to the bank on September 27, 1933 (when he had previously testified he was in Chicago), and presented a certified check in the sum of \$15,075 which was to represent a letter of credit for \$15,000 and the fee of \$75.

Adamson swore and produced bank records to show that the letter was paid for with a certified check of Mr. A. G. Christmas on the Lawyers County Trust Co.

The bank records showed that MacGuire purchased this letter of credit on September 27, had it mailed to Chicago and cashed it on September 30, the day after he had cashed approximately \$14,000.

The Central Hanover Bank also produced duplicate deposit slips showing that MacGuire had deposited \$6,500 in currency in varying amounts in his personal account between September 18, 1934, and November 19, 1934, and when questioned, MacGuire said the money came "from a safe place." MacGuire's personal account in the Irving Trust increased by \$6,000 in a short time with no explanation forthcoming.

Resuming his testimony on Friday, November 23, MacGuire failed to produce a book to which he had previously referred, in which he

stated he had entered the moneys which he handled in connection with his trip to Chicago.

The congressional committee at this point surveyed the records of the Committee for a Sound Dollar and Sound Currency, Inc. found that it began life in December 1933 with the sum of \$31,000 and that the money had been expended for salaries, traveling expenses, printing of propaganda, legal fees, and incidentals, and at the present time had a balance of about \$24.

Neither the names of Robert Sterling Clark, A. G. Christmas, or Walter E. Frew are shown anywhere in the records of this committee.

The congressional committee also reviewed the audit of the sound dollar committee.

The congressional committee then went into the carbons of reports presented by MacGuire which he had written while he was in Europe. Some were addressed merely "Gentlemen", others to Mr. Clark and one to Mr. Christmas. Mr. MacGuire had previously testified he had been sent to Europe by Mr. Clark to study economic conditions.

In his letter of April 6, 1934, which is headed "My dear sir" MacGuire writes as follows:

There is no question but that another severe crisis is imminent. There have been various pieces of information given me to the effect that the Communists have been arming and are scattered in the outlying districts of Paris. However, this does not mean, to my mind, that there will be anything such as occurred in Vienna. If anything, it appears to me that the Communists may be used as a goad by the military, and that if this group should by any chance start demonstrations against the government, it may serve to call forth a "coup d'etat", which, it might be said, would be the use of the military.

I had a very interesting talk last evening with a man who is quite well up on affairs here and he seems to be of the opinion that the Croix de Feu will be very patriotic during this crisis and will take the cuts or be the moving spirit in the veterans to accept the cuts. Therefore they will, in all probability, be in opposition to the Socialists and functionaries. The general spirit among the functionaries seems to be that the correct way to regain recovery is to spend more money and increase wages, rather than to put more people out of work and cut salaries.

In letter on March 6, 1934, addressed merely to "Gentlemen" MacGuire writes:

... the Croix de Feu is getting a great number of new recruits, and I recently attended a meeting of this organization and was quite impressed with the type of men belonging. These fellows are interested only in the salvation of France, and I feel sure that the country could not be in better hands, because they are not politicians; they are a cross section of the best people of the country from all walks of life, people who gave their "all" between 1914 and 1918; that France might be safe, and I feel sure that if a crucial test ever comes in the Republic that these men will be the bulwark upon which France will be saved.

There may be more uprisings, there may be more difficulties, but as is evidenced right now when the emergency arises party lines and party difficulties are forgotten as far as France is concerned, and all become united in the one desire and purpose to keep this country as it is, the most democratic and the country of the greatest freedom in the European Continent.

MacGuire denied that he had spent a great deal of time going into veteran matters there, but he does use and gives a description of the Croix de Feu, which does compare with what Butler testified

MacGuire had told him, and again MacGuire denied that he had told Butler about it.

In other parts of the correspondence what MacGuire wrote to Clark and Christmas about foreign veteran groups tallies with what Butler claims MacGuire told him, but which MacGuire denies he said.

In a letter dated April 24, 1934, addressed to "Gentleman", MacGuire wrote:

I just returned from a trip to Brussels, Rotterdam, Amsterdam, Hamburg, Copenhagen, Berlin, Prague, Leipzig, Vienna, Munich, Zurich, Basle, Geneva, and thence back to Paris.

I was informed that there is a Fascist Party springing up in Holland under the leadership of a man named Musselt, who is an engineer by profession and who has approximately 50,000 followers at the present time ranging in ages from 18 to 25 years. It is said that this man is in close touch with Berlin, and is modeling his entire program along the lines followed by Hitler in Germany. A number of people are quite alarmed because of the German influence and the probable financial support that this man is getting from Berlin. Generally speaking, trade conditions in Holland are extremely poor, the Germans have placed restrictions against the import of all foodstuffs from this country, and the large cotton mills that the Dutch have have been closed down for a considerable length of time, mainly because of our old friend Japanese competition in the Far East, particularly in the territories that the Dutch have as a market.

In another letter MacGuire said, "everywhere you go you see men marching in groups and company formation."

MacGuire could not explain why he gave a check for \$20,000 to Albert G. Christmas on September 15 and received a check back from Christmas 3 days later for the same amount.

MacGuire admitted cashing a check on his special account for \$6,000 on September 16, which was the day before he saw Butler in Newark, not forgetting the \$10,000 that MacGuire had received in currency from Christmas at the luncheon, which he said he placed in a safety deposit box.

MacGuire had no recollection of having come back to New York from Chicago during the period between September 21 and October 2, neither did he have any recollection of having been in Washington during that same period, when confronted with a hotel bill from the Mayflower Hotel showing that he was a guest there on September 24 and 25, 1933.

To all such questions MacGuire answered, "It is too far back" or "I don't recall."

Neither could MacGuire remember what the purpose of his trip was to Washington or whether he had given the Central Hanover Bank thirteen \$1,000 bills or that he had bought one of the letters of credit with a certified check drawn on the account of Mr. Christmas.

In the course of the questioning MacGuire could not remember whether he had ever handled thousand-dollar bills, and certainly could not remember producing 13 of them at one time in the bank. It must be remembered in this connection that the \$12,000 purchase with \$1,000 bills at the bank came just 6 days after Butler claims MacGuire showed him eighteen \$1,000 bills in Newark.

From the foregoing it can readily be seen that in addition to the \$20,000 which Clark gave MacGuire for the sound money commu-

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tee that he produced approximately \$75,000 more, which MacGuire reluctantly admitted on being confronted with the evidence.

This \$75,000 is shown in the \$26,000 that went into the Manufacturers' Trust account, \$10,000 in currency at the luncheon, the purchase of letters of credit totaling \$30,300, of which Christmas' certified check was represented as \$15,000, expenses to Europe close to \$8,000. This still stands unexplained.

Whether there was more and how much, the committee does not yet know.

The committee is awaiting the return to this country of both Mr. Clark and Mr. Christmas. As the evidence stands, it calls for an explanation that the committee has been unable to obtain from Mr. MacGuire.